

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 559 – HB 1374

March 16, 2017

SUMMARY OF ORIGINAL BILL: Creates the Office of Transportation Public-Private Partnership (OTP3), to be administratively attached to the Department of Transportation (TDOT), to provide expertise and assistance to the state and local governments for the development, redevelopment, or operation of transportation facilities for public-private initiatives.

OTP3 duties shall include, but not be limited to: tracking proposed, ongoing, and completed public initiatives; assisting public entities in the identification of transportation projects under the Public-Private Transportation Act of 2016; promoting best practices, including standardized methodologies and processes; and attracting private investment in transportation facilities to the state.

Requires all OTP3 expenses for administrative functions, including but not limited to, salaries, benefits, and office space, to be paid out of monies appropriated by the General Assembly to the Highway Fund.

Requires the Governor to appoint an OTP3 Executive Director by September 1, 2017 to serve for five years. Authorizes the Executive Director to retain professional assistance and staff. Establishes that the Executive Director and employees are eligible for reimbursement of travel expenses. Adds OTP3 to the sunset cycle provisions under the Tennessee Governmental Entity Review Law, thereby creating a termination date for the Office of June 30, 2019.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$45,300/One-Time/Highway Fund
\$665,800/Recurring/Highway Fund

SUMMARY OF AMENDMENT (005147): Deletes and replaces language in the bill such that the only substantive change is to establish that this act shall become operative only if the funding necessary to implement the provisions of the bill is made available to TDOT from non-state funds.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:


Other Fiscal Impact – To the extent TDOT receives contributions and donations from non-state sources for the purpose of funding the provisions of this legislation; any impact to state and local government is considered not significant. However, to the extent non-state funds are unavailable, initially or on a recurring basis, the Department of Transportation would require funding from other sources to effectuate the operation of the Office of Transportation Public-Private Partnership.

Assumptions for the bill as amended:

- Implementing the provisions of the bill as amended requires only grant funding or private funding sources. It is unknown the availability of any non-state funding or the timing in which those funds will be available. It is assumed the amount of resources necessary to implement the provisions of the legislation will be collected and included within the normal budgeting procedures of the Department of Transportation (TDOT) prior to implementation of the OTP3.
- Based on the information provided by TDOT, the OTP3 will require eight full-time positions to operate and manage the office including: one director, one assistant director, two attorney 3 positions, one transportation manager 1 position, one transportation program monitor supervisor, one transportation program monitor 2 position, and one administrative services assistant 2 position.
- Based on information provided by TDOT, the one-time increase in state expenditures for office furniture, computers, phones and other miscellaneous computer equipment for all eight positions is estimated to be \$45,300.
- Based on information provided by TDOT, the recurring increase in expenditures for salaries and benefits for all eight positions is estimated to be \$665,755 (\$523,492 salary + \$142,263 benefits).
- The Comptroller of the Treasury, the Division of Audit, will accommodate any additional auditing responsibilities as a result of the addition of the OTP3 into the statutory sunset provisions utilizing existing resources without an increased appropriation or a reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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